

## Message Text

UNCLASSIFIED

PAGE 01 EC BRU 00491 162127Z

20

ACTION EUR-12

INFO OCT-01 EA-09 ISO-00 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 FEA-01 OES-05

INT-05 PA-02 PRS-01 USIA-15 ACDA-10 NRC-07 /104 W

----- 006749

R 162038Z JAN 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 319

INFO ALL EC CAPITALS 1553

AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

UNCLAS EC BRUSSELS 0491

E.O. 11652: N/A

TAGS: EEC, ENRG

SUBJECT: EC COMMISSION ENERGY PROPOSALS

REF EC BRUSSELS 447

1. SUMMARY: THE EC COMMISSION ON JANUARY 16 FORWARDED TO THE COUNCIL THREE PAPERS ON ENERGY POLICY: A PAPER UPDATING THE COMMUNITY'S EARLIER PAPER ON COMMUNITY OBJECTIVES FOR 1985, A PAPER ON THE RATIONAL USE OF ENERGY, AND A PAPER ON THE MEANS TO PROMOTE THE DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES. AMONG OTHER PROPOSALS THIS LATTER PAPER CALLS ON THE COUNCIL TO APPROVE THE PRINCIPLE AND THE MAIN LINES OF A MINIMUM SAFEGUARD PRICE MECHANISM. END SUMMARY.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 EC BRU 00491 162127Z

2. ON JANUARY 16 EC VICE-PRESIDENT SIMONET BRIEFED THE PRESS ON THE RESULTS OF A COMMISSION MEETING HELD EARLIER IN THE DAY. ACCORDING TO SIMONET, THE COMMISSION APPROVED THREE DOCUMENTS ON ENERGY POLICY WHICH IT IS FORWARDING TO THE EC COUNCIL. THESE DOCUMENTS ARE NOT YET AVAILABLE TO THE MISSION BUT ARE SUMMARIZED BELOW BRIEFLY ON THE BASIS OF SIMONET'S COMMENTS AT THE PRESS CONFERENCE AND PRESS RELEASES MADE AVAILABLE THEN.

3. PRODUCTION AND DEVELOPMENT OF ENERGY RESOURCES IN THE COMMUNITY: THE COMMISSION RECOGNIZES THE NECESSITY FOR NEW INVESTMENT TO MAINTAIN OR INCREASE ENERGY PRODUCTION IN THE COMMUNITY IN SPITE OF UNCERTAINTIES OF THE ENERGY MARKET. TO TAKE INTO ACCOUNT THE EFFECTS ON THE PROFITABILITY OF INVESTMENTS IN THE IMPROBABLE EVEN OF A SIGNIFICANT DROP IN THE PRICE OF IMPORTED OIL, THE COMMISSION IS PROPOSING TO THE COUNCIL THAT IT APPROVE THE PRINCIPLE AND THE BROAD OUTLINES OF A MINIMUM SAFEGUARD PRICE MECHANISM. SIMONET TOLD THE PRESS THAT IF SUCH A SCHEME WERE ADOPTED THE MSP SHOULD BE ESTABLISHED AT \$7 A BARREL F.O.B. AND IMPLEMENTED BY A VARIABLE LEVY SYSTEM. THE COMMISSION IS ALSO PROPOSING THAT THE COUNCIL ADOPT MEASURES TO ASSIST IN THE STOCKPILING OF COAL, THE PROLONGATION TO 1985 OF A SUPPORT MECHANISM FOR COAL USED IN THE STEEL INDUSTRY WHICH IS NOW SCHEDULED TO EXPIRE IN 1978, AND MEASURES TO ENCOURAGE URANIUM EXPLORATION. THE COMMISSION ALSO ASKS THE COUNCIL TO TAKE ACTION ON PROPOSALS ALREADY BEFORE IT TO SUPPORT COMMUNITY PROJECTS IN PETROLEUM AND GAS EXPLORATION AND THE FINANCING OF NUCLEAR INSTALLATIONS.

4. THE COMMISSION ALSO HOPES THAT THE COUNCIL WILL BEGIN DEBATE ON GUIDELINES FOR PROJECTS TO PERMIT THE COMMUNITY TO GUARANTEE NEW INVESTMENT IN ENERGY PRODUCTION EXPOSED TO EXCEPTIONAL RISKS, TO EXPAND THE COMMUNITY'S LOAN CAPACITY FOR ENERGY INVESTMENTS, AND TO REINFORCE EXISTING MEASURES TO ENCOURAGE THE USE OF COAL IN POWER STATIONS.

5. OBJECTIVES FOR 1985: THE COMMISSION REFERRED TO ITS EARLIER PAPERS ON COMMUNITY OBJECTIVES IN ENERGY FOR 1985 AND NOTES THAT NOW, A YEAR LATER IN A DIFFERENT ECONOMIC CONTEXT, IT HAS MADE CERTAIN REVISIONS. IT NOTES THAT WHEREAS LAST YEAR THE COMMISSION HAD BELIEVED IT POSSIBLE THAT BY 1985 THE

UNCLASSIFIED

PAGE 03 EC BRU 00491 162127Z

COMMUNITY'S DEPENDENCE ON IMPORTED ENERGY COULD BE REDUCED TO 40 PERCENT, THAT OBJECTIVES NO LONGER SEEMS OBTAINABLE. IN FACT, IT MAY BE DIFFICULT TO REDUCE DEPENDENCE TO EVEN 50 PERCENT. THE COMMISSION CALLS ON THE MEMBER STATES TO INTENSIFY ACTIONS TO REDUCE ENERGY DEMAND, INCREASE COMMUNITY PRODUCTION AND INTENSIFY RESEARCH AND DEVELOPMENT.

6. RATIONAL USE OF ENERGY: THE FIRST PART OF THE PAPER DE-

SCRIBES THE EXISTING SITUATION IN MEMBER STATES AND CERTAIN PROBLEMS THAT THEY HAVE ENCOUNTERED. IT THEN MAKES FIVE RECOMMENDATIONS FOR ACTION WHICH WOULD BE PERIODICALLY REVIEWED BY COUNTRY AND BY SECTOR. THE PAPER RECOMMENDS MEASURES TO: BETTER INSULATE BUILDINGS, HEAT EXISTING BUILDINGS MORE RATIONALLY, OBTAIN BETTER GAS MILEAGE FOR AUTOMOBILES, ENCOURAGE MORE RATIONAL USE OF ENERGY IN PUBLIC TRANSPORT, AND REDUCE ENERGY CONSUMPTION FOR ELECTRIC APPLIANCES.

7. WE WILL REPORT MORE FULLY AS MORE DETAILS BECOME AVAILABLE.  
GREENWALD

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, ENERGY, RESEARCH, PRESS CONFERENCES, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ECBRU00491  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760018-0827  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760151/aaaabsts.tel  
**Line Count:** 127  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 EC BRUSSELS 447  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 JUN 2004 by schwenja>; APPROVED <03 DEC 2004 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC COMMISSION ENERGY PROPOSALS  
**TAGS:** ENRG, EEC, (SIMONET, HENRI)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006